



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
WASHINGTON, D.C. 20460

AUG 21 2014

OFFICE OF THE
CHIEF FINANCIAL OFFICER

The Honorable Tom Cotton
U.S. House of Representatives
Washington, D.C. 20515

Dear Congressman Cotton:

Thank you for your letter of July 11, 2014, to the U.S. Environmental Protection Agency's Administrator, Gina McCarthy. I appreciate this opportunity to clarify the EPA's direct final rule, "Administrative Wage Garnishment," which we published in the Federal Register on July 2, 2014, at 79 FR 37644. Due to comments the agency has received and per the Federal Register notice, we published a withdraw notice for the direct final rule in the Federal Register on July 17, 2014, at 79 FR 41646. However, our proposed rule to use administrative wage garnishment as a debt collection tool remains open. On July 23, 2014, the EPA extended the comment period to September 2, 2014, in order to provide additional time for public comment to the agency on this proposed rule.

The Debt Collection Improvement Act of 1996 gives federal agencies the authority to collect delinquent nontax debt owed to the United States through administrative wage garnishment. Currently, at least 30 federal agencies use such wage garnishment to collect federal debt. We are unaware of any successful constitutional due process challenges to the Debt Collection Improvement Act of 1996.

The EPA will begin using administrative wage garnishment after the proposed rule becomes final and following negotiations with the Department of Treasury on a memorandum of understanding, as the EPA has chosen for Treasury to conduct any administrative wage garnishment hearings on the EPA's behalf. When the EPA begins using administrative wage garnishment, the Department of Treasury will send a wage garnishment notice to the debtor, the debtor will be afforded the full opportunity to exercise his/her due process rights, and, if administrative wage garnishment ensues, the EPA will receive the proceeds from the collection minus fees charged by the Treasury to the EPA for performing this service. The EPA's ability to use the money will depend on the nature of the appropriation from which the collection occurred.

Administrative wage garnishment is only one of a suite of debt collection tools used by federal agencies to collect delinquent nontax debt. Our proposed rule will make available this tool to the EPA, so the EPA can join with other federal agencies in ensuring that nontax delinquent debts are recovered for appropriate public use per the Debt Collection Improvement Act of 1996.

Again, thank you for your letter. If you have further questions, please contact me or your staff may contact Christina Moody in the EPA's Office of Congressional and Intergovernmental Relations at (202) 564-0260.

Sincerely,

A handwritten signature in black ink, appearing to read "Maryann Froehlich". The signature is fluid and cursive, with the first name "Maryann" and last name "Froehlich" clearly distinguishable.

Maryann Froehlich
Acting Chief Financial Officer